



L. S. Schreiber  
Vice President,  
National Accounts  
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December 6, 1995

TO: Win Schiller & All W.A.M. Distributors  
RE: RJR/W.A.M. 1996 Promotion Program

Regrettably, this is to inform you that we must immediately cancel the 10 cent accrual portion of the W.A.M./RJR 1996 Promotion test.

We suggest you immediately notify your organization and your retail customers that the 10 cent accrual for all RJR brands purchased in 1996 has been canceled.

We have received several customer inquiries and complaints concerning W.A.M. distributors apparently seeking to use the 10 cent accrual feature of the W.A.M. test to gain market advantages over non-W.A.M. distributors. This is contrary to our purposes in going forward with W.A.M. More important, this unanticipated action by a few direct accounts threatens to put us in a difficult position with our other direct accounts around the country. Canceling the accrual portion of the W.A.M. test is the sensible course to assure continued good trade relations with our customers and adherence to our basic approach of neutrality in competition among our direct accounts.

We will continue to make available our SIGNATURE Private Label Program per the agreement with W.A.M. Enterprises, and also will continue to provide our Full Price and Savings Promotions or Displays as scheduled for all twelve months of 1996. These two elements remain available to retailers from W.A.M. Distributors, and will continue to serve as tools to assist W.A.M. Distributors to successfully participate in our Wholesale Partners Program for 1996.

Our R. J. Reynolds account representatives will be in contact with you shortly to assist you in implementing the retained program elements, SIGNATURE and Promotions.

We still remain committed to making the W.A.M./RJR Program a success for 1996 and beyond, as we firmly believe the opportunities for all of us to win are still significant.

Sincerely,

L. S. Schreiber

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